

- (5) Collecting from the family:
  - (i) Any security deposit.
  - (ii) The tenant contribution (the part of rent to owner not covered by the housing assistance payment).
  - (iii) Any charges for unit damage by the family.
- (6) Enforcing tenant obligations under the lease.
- (7) Paying for utilities and services (unless paid by the family under the lease).
- (c) For provisions on modifications to a dwelling unit occupied or to be occupied by a disabled person, see 24 CFR 100.203.

(Approved by the Office of Management and Budget under control number 2577-0169)

[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995; 63 FR 23861, Apr. 30, 1998; 64 FR 26647, May 14, 1999; 73 FR 72345, Nov. 28, 2008; 75 FR 66264, Oct. 27, 2010]

**§ 982.453 Owner breach of contract.**

- (a) Any of the following actions by the owner (including a principal or other interested party) is a breach of the HAP contract by the owner:
  - (1) If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS.
  - (2) If the owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
  - (3) If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
  - (4) For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.
  - (5) If the owner has engaged in drug-related criminal activity.
  - (6) If the owner has committed any violent criminal activity.
- (b) The PHA rights and remedies against the owner under the HAP con-

tract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contract.

[60 FR 34695, July 3, 1995, as amended at 64 FR 26647, May 14, 1999; 64 FR 56914, Oct. 21, 1999; 65 FR 16821, Mar. 30, 2000]

**§ 982.454 Termination of HAP contract: Insufficient funding.**

The PHA may terminate the HAP contract if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

[60 FR 34695, July 3, 1995, as amended at 64 FR 26647, May 14, 1999]

**§ 982.455 Automatic termination of HAP contract.**

The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.

[64 FR 26647, May 14, 1999]

**§ 982.456 Third parties.**

- (a) Even if the family continues to occupy the unit, the PHA may exercise any rights and remedies against the owner under the HAP contract.
- (b)(1) The family is not a party to or third party beneficiary of the HAP contract. Except as provided in paragraph (b)(2) of this section, the family may not exercise any right or remedy against the owner under the HAP contract.
- (2) The tenant may exercise any right or remedy against the owner under the lease between the tenant and the owner, including enforcement of the owner's obligations under the tenancy addendum (which is included both in the HAP contract between the PHA and the owner; and in the lease between the tenant and the owner.)
- (c) The HAP contract shall not be construed as creating any right of the family or other third party (other than HUD) to enforce any provision of the HAP contract, or to assert any claim against HUD, the PHA or the owner under the HAP contract.

[60 FR 34695, July 3, 1995, as amended at 64 FR 26647, May 14, 1999]